

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
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TRIF & MODUGNO LLC

Louis Modugno
89 Headquarters Plaza
North Tower, Suite 1201
Morristown, New Jersey 07960
Telephone: 973-547-3611
Facsimile: 973-554-1220
lmodugno@tm-firm.com

KATTEN MUCHIN ROSENMAN LLP

Steven J. Reisman
Shaya Rochester (*admitted pro hac vice*)
Terence P. Ross (*admitted pro hac vice*)
50 Rockefeller Plaza
New York, New York 10020
sreisman@katten.com
srochester@katten.com
tross@katten.com

MENDES & MOUNT LLP

Eileen McCabe (*admitted pro hac vice*)
Stephen Roberts (*admitted pro hac vice*)
750 Seventh Avenue
New York, New York 10019
eileen.mccabe@mendes.com
stephen.roberts@mendes.com

Attorneys for the New Jersey Coverage Action Plaintiff-Insurers

In re:

LTL MANAGEMENT LLC,

Debtor.¹

Chapter 11

Case No. 21-30589 (MBK)

Hearing Date: June 14, 2022

**NEW JERSEY COVERAGE ACTION PLAINTIFF-INSURERS' STATEMENT AND
RESERVATION OF RIGHTS REGARDING MOTION FOR AN ORDER
(I) CONFIRMING THAT THE AUTOMATIC STAY DOES NOT APPLY TO
THE NEW JERSEY COVERAGE ACTION OR, IN THE ALTERNATIVE,
(II) GRANTING RELIEF FROM THE AUTOMATIC STAY TO ALLOW
THE NEW JERSEY COVERAGE ACTION TO PROCEED**

¹ The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

The plaintiff-insurers (the “Moving Insurers”)² in the lawsuit, *Atlanta International Insurance Company, et al. v. Johnson & Johnson, et al.*, Case No. MID-L-003563-19, currently pending in the Superior Court of New Jersey (the “New Jersey Coverage Action”), hereby file this Statement and Reservation of Rights (the “Statement”) regarding the relief requested in their *Motion for an Order (i) Confirming That The Automatic Stay Does Not Apply To The New Jersey Coverage Action Or, In The Alternative, (ii) Granting Relief From The Automatic Stay To Allow The New Jersey Coverage Action To Proceed* [Docket No. 1491] (the “Motion”)³ and their *Reply in Further Support of Motion for an Order (i) Confirming That The Automatic Stay Does Not Apply To The New Jersey Coverage Action Or, In The Alternative, (ii) Granting Relief From The Automatic Stay To Allow The New Jersey Coverage Action To Proceed* [Docket No. 1866] (the “Reply”).

STATEMENT

1. On March 30, 2022, this Court adjourned the Motion to lift the automatic stay to the June 14, 2022 hearing to provide a “*short* stay to allow the bankruptcy mediation process to move forward.” March 30, 2022 Hr’g. Tr. at 65:12-13 (emphasis added); *see also* Order Regarding Motions of New Jersey Coverage Action Plaintiff-Insurers and Travelers Casualty and Surety Company to Allow New Jersey Coverage Action to Proceed [Docket No. 2023].

² The Moving Insurers are: Atlanta International Insurance Company (as successor in interest to Drake Insurance Company); AIG Property Casualty Company (f/k/a Birmingham Fire Insurance Company of Pennsylvania); AIG Europe S.A. (as successor in interest to Union Atlantique d’Assurances S.A); AIU Insurance Company; ASR Schadeverzekering N.V. (as successor in interest to Assurantiemoor Van Wijk & Co.); Granite State Insurance Company; The Insurance Company of the State of Pennsylvania; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; New Hampshire Insurance Company; The North River Insurance Company; Starr Indemnity & Liability Company (as successor in interest to Republic Insurance Company); N.V. Schadeverzekeringsmaatschappij Maas Lloyd (individually and as successor in interest to policies subscribed in favor of Johnson & Johnson by N.V. Rotterdamse Assurantiemoor, n/k/a De Ark); and Rheinland Versicherungen (as successor in interest only to the subscriptions of the former Dutch company Rheinland Verzekeringen).

³ Republic Indemnity Company of America, a party in the New Jersey Coverage Action, joined the relief requested in the Motion.

2. In the two months subsequent to that hearing, the mediation among the Debtor, TCC, FTCR and other constituencies in this Chapter 11 case has not resulted in a settlement.⁴ On May 24, 2022, this Court acknowledged that the mediation is “not as far along” as the mediators would like and noted that the Court is “not going to simply rely on mediation.” May 24, 2022 Hr’g. Tr. at 3:24-4:2, 4:17-19. At the same time, however, the Court urged the parties to “trust the process” of mediation and to give the mediation additional time to play out. *See* May 24, 2022 Hr’g. Tr. at 4:4-11.

3. In light of the Court’s instructions, the Moving Insurers met and conferred with Travelers, the Debtor, TCC and FTCR, and the parties agreed to the adjourn the hearing on the Motion from June 14, 2022 to July 6, 2022. The agreed-upon adjournment will also provide the parties with an opportunity to re-assess their respective positions after the Court’s “re-evaluation date” passes on June 29, 2022. *See* May 24, 2022 Hr’g. Tr. at 4:19-21.

RESERVATION OF RIGHTS

4. The Moving Insurers reserve all of their rights at law and in equity with respect to the Motion and the Chapter 11 case, including the right to file with the Court one week in advance of the adjourned hearing date a written submission to address whether the Court should take further action with respect to the Motion and the automatic stay.

NOTICE

5. Notice of this Statement will be given to: (a) counsel for the Debtor; (b) the Office of the United States Trustee for the District of New Jersey; (c) counsel to J&J and the other New Jersey Coverage Action Defendants; (d) counsel to TCC; and (e) any party that has requested electronic notice pursuant to Bankruptcy Rule 2002 and Local Rule 2002-1. The

⁴ Capitalized terms used herein shall unless otherwise defined have the meaning ascribed to them in the Motion.

Moving Insurers submit that, under the circumstances, no other further notice is required. A copy of this Statement is available on the website maintained by the Debtor's Claims and Noticing Agent, Epiq, at <https://dm.epiq11.com/case/1tl>.

Dated: June 7, 2022

/s/ DRAFT

Louis A. Modugno
TRIF & MODUGNO LLC
89 Headquarters Plaza North Tower, Suite 1201
Morristown, New Jersey 07960
Email: lmodugno@tm-firm.com

Steven J. Reisman
Shaya Rochester (*pro hac vice*)
Terence P. Ross (*pro hac vice*)
KATTEN MUCHIN ROSENMAN LLP
50 Rockefeller Plaza
New York, New York 10020
Email: sreisman@katten.com
srochester@katten.com
tross@katten.com

Eileen McCabe (*pro hac vice*)
Stephen Roberts (*pro hac vice*)
MENDES & MOUNT LLP
750 Seventh Avenue
New York, New York 10019
Email: eileen.mccabe@mendes.com
stephen.roberts@mendes.com

Co-Counsel to the Moving Insurers